



**BOARD MEETING MINUTES
NOVEMBER 14, 2012**

**California State Capitol
Room 4203
Sacramento, CA 95814
10:00 AM**

The public meeting of the California High-Speed Rail Authority Board was called to order on November 14, 2012 at 10:11 a.m. at the Sacramento City Hall, Sacramento, CA.

Members Present: Dan Richard, Chair
 Tom Richards, Vice-Chair
 Lynn Schenk, Vice-Chair
 Thomas Umberg
 Jim Hartnett
 Mike Rossi

Pledge of allegiance was administered by Mr. Umberg.

Minutes prepared in the order items were presented during the meeting.

Public Comment

An opportunity was made for public comment. Speakers commented on a variety of topics.

Agenda Item #1-Approval of Meeting Minutes from September 11, 2012

Moved by Vice-Chair Schenk. Mr. Hartnett seconded the motion. The Meeting Minutes were approved unanimously (5-0).

Agenda Item #2-Update on National Target Hiring Initiative

Mr. Robert Padilla (Small Business Advocate for the California High-Speed Rail Authority) spoke to the Board regarding the 30 percent small and disadvantaged business enterprise goal and who performs the hiring as small business owners. Mr. Padilla explained to the Board Members that now is a good time to discuss strategies that will ensure skilled labor is available and properly trained.

Mr. Padilla introduced Mr. Blake Konzal (Executive Director of the Fresno Regional Workforce Investment Board) to talk about the efforts that the Central Valley, the Fresno area, has taken in advancing a national target hiring initiative. As a matter of transparency, Vice Chair Richards disclosed that he sits as the Chair of the Fresno Regional Workforce Investment Board. Mr. Konzal also brought with him Mr. Ken Price, (corporate counsel for the WIB), Mr. Chuck Riojas (with the local IBEW), and Mr. Michael Burneck.

Mr. Konzcal explained that 18 months ago an initial presentation was made to the Authority Board members. At that time the Authority staff submitted this information to the Federal Rail Authority, and came back with a lot of questions about how legally one could make employment opportunities available the residents of areas of high long-term unemployment. Over the past 18 months they found that the Los Angeles County Metropolitan Transit Authority, in working with the Federal Transit Administration, was addressing the same question. Mr. Konzcal explained that they were able to obtain the legal reasoning that went into that opinion, and through elected representatives in Fresno, a request was put forward to the Secretary of Transportation LaHood what the FTA was granting to Los Angeles. Secretary LaHood asked for there to be a unified federal policy across the different administrations and they were able to generate a revised positive finding from Federal Rail Administration legal counsel. Mr. Konzcal stated that they revised their policy to comport with the language that Los Angeles County had submitted and then communicated that information back to the Authority Board Members.

Mr. Ken Price spoke to the Board regarding the policy. Mr. Price informed the Board Members that what they are recommending is consistent with California State procurement policies and procedures. First the recommended program requires that a minimum of 10 percent of all hours of work be performed by workers in either a national extremely economically disadvantaged areas, which are workers whose primary residence is within a zip code that includes a census tract or a portion thereof in which the median household income is \$27,000 a year. Workers whose primary place of residence is within a zip code that includes a census tract or portion thereof in which the median household income is \$40,000 per year, homeless workers, custodial single parents, workers who are receiving public assistance, workers who lack a GED or high school diploma, workers with a criminal record, workers who suffer from chronic unemployment, who are emancipated from the foster care system, veterans, and apprentices with less than 15 percent of the required graduating apprenticeship hours at a certified apprenticeship training program. Secondly, it is recommending that a minimum of 40 percent of all hours of project work be performed by the national disadvantaged workers. Third, at least 20 percent of total work hours on each project be performed by apprentices.

Mr. Chuck Riojas next spoke to the Board regarding pre-apprenticeship. Mr. Riojas informed the Board that Fresno County and Madera County are running a jump start program to prepare the workforce for opportunities such as this in the apprenticeship programs that are offered throughout the building trades. Mr. Riojas explained to the Board that they have run four pre-apprenticeship programs, three in Fresno County and one in Madera County. They have roughly 100 participants ready and in the pipeline geared towards high-speed rail construction, ready to go to work. They would like to duplicate this throughout the state when it comes to a national targeted hiring program.

Mr. Michael Burneck (who helped to craft the policy) next spoke to the Board. As a matter of transparency, both Vice Chair Schenk, and Chairperson Richard let it be known that they had both been colleagues of Mr. Burneck for many years. Mr. Burneck stated that the policy is very consistent with where the Authority has been. It's very consistent with what they have seen in terms of labor markets and infrastructure projects over the past post World War II period in California.

Agenda Item #3-Informational Presentation on Risk Management

Mr. Jon Tapping (Risk Manager of the High-Speed Rail Authority) presented to the Board Members the High-Speed Rail Authority Risk Management Program, and the statutory risk management requirements that the Authority is facing as a result of State Bill 1029.

Mr. Tapping explained that statutory risk management requirements are used to develop comprehensive risk management. Mr. Tapping went on to discuss the value of comprehensive risk management and explained that it helps stakeholders accept the value of a project and understand that there are uncertainties in a project moving forward.

Mr. Tapping discussed the Authority's risk management planning and implementation. Mr. Tapping stated that a risk management plan is currently in place at the Authority. The plan has been modified, and now involves roles and responsibilities, implementation steps, and reporting. It provides a framework for how the risk manager and staff are going to do business, and was updated to incorporate Mr. Tapping's role in the Authority. It has also been updated to incorporate Senate Bill 1029 requirements and explain exactly how the Authority is fulfilling those requirements. It also incorporates some BSA recommendations on how to go forward efficiently.

Mr. Tapping spoke regarding some of the risks facing the Authority, and explained that there is a business risk of the ridership and revenue variability and the operation and maintenance cost. Mr. Tapping discussed that the Authority has undertaken some sensitivity analysis with respect to that, and is addressed in the business plan. Mr. Tapping explained most of our significant risks are third-party risks.

Mr. Tapping stated that the Authority will update the risk management plan to fully comply with Senate Bill 1029, expand the use of quantitative risk management analyses, and will prepare a plan for this as well as schedule risk analysis, budget forecast and contingency risk analysis. Mr. Tapping also informed the Board Members that this will be an information system that they will be rolling out that will help with the tracking and the monitoring of the risks and the documentation of the risk to ensure the Authority has something that's accountable.

Agenda Item #4-Informatinal Presentation on Environmental Mitigation Implementation

Mr. McLoughlin presented to the Board Members a high level briefing on the approach to mitigation as the Authority starts to put together the program for mitigation. Mr. McLoughlin went onto discuss that mitigation measures included opportunities to avoid, reduce, and minimize adverse environmental impacts associated with the future construction and operation of the train.

Mr. McLoughlin stated that one of the things the Authority wants to take a look at in mitigation is to provide the highest ecological value, and the highest agricultural value. Mr. McLoughlin stated that there will be increased transportation options the will provide less reliance on cars. Air quality will improve, and there will be energy savings and economic growth with jobs and the synergy that it relates to the train. Some of the impacts include emissions from construction equipment, conversion of agricultural land, and non-agricultural use, and the loss of biological habitat. Through the design of the project, they have looked at features that can be avoided, reduced and minimized through the initial design, avoiding specifically more importantly biological impacts on the ground and other items.

Mr. McLoughlin discussed one item that is very important on the mitigation measures is property access, especially as it relates to agriculture. There are opportunities to improve local intersections for traffic operations specifically in those cities that we encounter Fresno, for one, is a strong example of that, and Merced.

Mr. McLoughlin explained that the Authority has existing agreements currently with the Army Corps. of Engineers, Fish and Game, Fish and Wildlife. These will be ongoing agreements that the Authority will have as it goes through the permitting process and checkpoint process with to ensure that we're achieving what we need to for the preferred alignments and also the subject of habitat mitigation which has a very high level of focus right now.

Mr. McLoughlin mentioned that the Authority met with State Water Resources Control Board and is getting close to making agreement that will allow the Authority to work with them and provide personnel to manage our 401 and 402 permits for the State Water Board.

Mr. McLoughlin explained the Authority is in the midst of providing conversations on how they are going to mitigate, and when they are going to do it.

Agenda Item #5-Request for Approval of Agreement with the California Department of Conservation (DOC)

Mr. Mark Nechodom (Director of DOC) presented to the Board Members for approval an agreement with DOC for the development and implementation of an agricultural lands mitigation program. Mr. Nechodom stated that the DOC is very enthusiastic about working with the Authority, and very much aware of some of the issues that have been raised before the Board Members. Mr. Nechodom stated that the DOC expects to work with the Authority in looking at these issues of cumulative impact and sufficient mitigation.

Mr. Umberg moved for approval of the agreement. Mr. Hartnett seconded the motion. Resolution #12-28 passed unanimously (5-0).

The Board adjourned into Closed Session at 12:30 p.m.

The Board reconvened from Closed Session into Open Session at 1:29 p.m.

Agenda Item #6-Closed Session Pertaining to Litigation

The Board returned from closed session with nothing to report.

Chairman Richard adjourned the board meeting at 1:29 p.m.